

J.B. MATTIN
CHECK OF SFIS '58 ECONOMICS-PROJECT AD-853

1-4-56

-2-

Part III of AD-853 indicated an increase in Operative Earnings of \$181,800 per year at the volume and selling prices used in the project. Savings in direct costs (material, labor and direct expenses) of approximately \$66,000 contributed substantially to the indicated increase in operative earnings. Current estimates now indicate that direct costs will increase in the amount of about \$38,000 rather than be reduced. Assuming the same volume distribution and selling prices as used for Part III of the project, this factor alone would tend to reduce the indicated Operative Earnings by \$104,000.

E.B.W.
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